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**ANALYSIS OF THE IMPACT OF COVID-19 ON ORIGINAL LOCAL GOVERNMENT
REVENUE OF SITUBONDO REGENCY
(CASE STUDY OF MARKET SERVICE RETRIBUTION REVENUE)**

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ABSTRACT

Revenue from market service retribution is one component of Original Local Government Revenue in Situbondo regency. This study aims to analyze the impact of the Situbondo regency government policy in facing the threat of Covid-19 which has implications for the economy, one of which is original local revenue, especially market service retribution. This research uses a qualitative descriptive method using target data and the realization of market service retribution from 2018-2020. The results of this study indicate that the realization of market service retribution in 2020 is 67.98% of the target set, lower than the previous year, namely in 2018 of 82.91% and in 2019 of 96.62%. So that the existence of the Situbondo regency government policy towards exempting market service retribution during April to June 2020 has an impact on decreasing the realization of original local revenue, especially market service retribution.

KEYWORDS: Income realization, market service retribution, original local revenue.

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1. INTRODUCTION

Since the issuance of the constitution number 23 of 2004 concerning local government, the principle of decentralization gives authority to local governments to manage local autonomy. In article 1 section 5 it is stated that local autonomy is the right, authority, and obligation of an autonomous region to regulate and manage its own government affairs and the interests of the local community in accordance with statutory regulations.

The principle of granting local autonomy is that the central government gives authority to each region in administering its administration in its own area, including providing services to the

community and implementing development, and also as a builder of social, political and economic stability (Murniati Sri, 2017). With the existence of local autonomy, they are required to be more active in efforts to increase their capacity and independence, to explore and develop the potential of economic resources in order to increase economic growth in their regions.

One of the sources of local government financing comes from Original Local Government Revenue, it is expected and strived to be the main support in financing local development activities. Sources of Original Local Government Revenue include, Local Taxes, Local Retributions, results of separated Local wealth management, and other legal Original Local Government Revenue. Local retributions are local levies for services or granting of certain permits provided by the local government for personal or corporate purposes.

The object of local retributions is divided into three, namely public service retribution, business service retribution and certain licensing retribution. One type of public service retribution is market service retribution. Based on the Situbondo Regency Local Regulation Number 6 of 2016 concerning amendments to Local Regulation Number 24 of 2011 concerning Market Service Retribution. Market Service Retribution is the provision of traditional/simple market facilities, in the form of courtyards, booths, kiosks managed by the local government, and specially provided for traders.

At the beginning of 2020, Indonesia was hit by an outbreak of the Corona Disease virus (Covid-19), which was not spared in Situbondo Regency. With the Covid-19 pandemic which is endemic in Indonesia, especially in Situbondo Regency, the local government of Situbondo Regency, in this case the Situbondo Regency Regent, issued Regent Regulation Number 13 of 2020 concerning the exemption of local retributions for mandatory retribution which aims to ease the burden on the community in dealing with the threat of the spread of Covid-19 which has implications for economic aspects.

Exemption from local retributions as stipulated in Chapter II Article 2 section (2) includes exemption from retribution at traditional markets and exemption from retribution for management route permits. Regent Regulation Number 13 of 2020 applies from April to June 2020. With the background described earlier, researchers are interested in analyzing the Impact of the Covid-19 Pandemic on the Realization of Original Local Government Revenue (Case Study of Market Service Retribution).

2. LITERATURE REVIEW

2.1 Original Local Government Revenue

According to the constitution No. 33 of 2004 Article 1 section (18) states that Original Local Government Revenue is income earned by the local who is collected based on Local Regulations in accordance with statutory regulations. Original Local Government Revenue aims to give authority to the Local Government to fund the implementation of local autonomy in accordance with the potential of the Region as an embodiment of Decentralization. Original Local Government Revenue is a source of funds that can be used by Local Governments to run their Government in the Regions.

2.2 Sources of Original Local Government Revenue

According to Halim (2012:101), sources of Original Local Government Revenue are separated into four types of revenue, namely as follows:

1. Local Taxes is local revenue derived from taxes. Local taxes are divided into two types, namely as follows:

- a. Provincial Tax
- b. Regency/Municipal Tax

2. Local retributions are local revenues derived from retribution. Local retributions that can be collected by provincial and district/city governments are divided into three, namely as follows:

- a. Public Service Retribution
- b. Business Service Retribution
- c. Certain Licensing Retribution

3. Results of Separated Local Owned Wealth Management are local revenues originating from the management of local assets whose types of revenues are broken down according to the object of revenues which includes:

- a. Share of profits on equity participation in regionally owned companies/BUMD
- b. Share of profits on equity participation in state-owned companies/BUMN
- c. Share of profit on investment in private companies or community business groups.

4. Other Legitimate Original Local Government Revenue is local tax revenue originating from other things owned by the local government. This type of revenue includes the following revenue objects:

- a. Proceeds from the sale of local assets that are not separated
- b. Current account service
- c. Interest revenue
- d. Acceptance of local compensation claims
- e. Revenue tax penalties

2.3 Local Retribution

According to the constitution no. 28 of 2009 states that local retribution, hereinafter referred to as retribution, and is local levies as payment for certain services or permits specifically provided and/or given by the local government for the benefit of individuals or entities. The objects of local retributions are public service retribution, business service retribution and certain licensing retribution.

2.4 Local Retribution Classification

According to the constitution no. 28 of 2009 concerning Local Taxes and Local Retributions, the Objects of Local Retributions are as follows:

1. Public Service Retribution

Objects of Public Service Retribution are services provided by the Local Government for the purpose of public interest and benefit and can be enjoyed by private persons or entities. Types of Public Service Retribution are Health Service Retribution, Cleaning Service Retribution, Market

Service Retribution, Retribution for Funeral Services and Corpse Dedication, Parking Service Retribution on a Public Roads. This type of Retribution may not be collected if the potential for revenue is small and/or based on national/regional policies to provide these services free of charge.

2. Business Service Retribution

Objects of Business Service Retribution are services provided by the Local Government by adhering to commercial principles which include, services by using/utilizing local assets that have not been utilized optimally; and/or services by the Local Government as long as they have not been provided adequately by the private sector.

3. Certain Licensing Retribution

The object of Certain Licensing Retribution is certain licensing services by the Local Government to individuals or entities intended for the regulation and supervision of space utilization activities, the use of natural resources, certain goods, infrastructure, facilities or facilities in order to protect the public interest and preserve the environment. Types of Certain Licensing Retribution are Building Permit Retribution, Permit Retribution for Places to Sell Alcoholic Beverages, Retribution for Nuisance Permits, Route Permit Retribution, and Fishery Business Permit Retribution.

2.5 Principles and Objectives of Determination of Retribution Rates

According to Mardiasmo (2016:21) the principles and objectives of determining of retribution rates are as follows:

1. Public Service Retribution, determined by providing the cost of providing the service concerned, the ability of the community and aspects of fairness, and the effectiveness of control over the service. What is meant by costs here include operating and maintenance costs, interest costs, and capital costs.
2. Business Service Retribution, based on the objective of obtaining a proper profit, namely the profit obtained if the business services are carried out efficiently and oriented to market prices.
3. Certain Licensing Retribution, based on the objective of covering part or all of the costs of administering the relevant permit. The cost of administering the permit issuance includes the issuance of permit documents, field supervision, law enforcement, administration, and the cost of negative impacts from the issuance of the permit.

2.6 Collection Procedures

According to the constitution no. 28 of 2009 concerning Local Taxes and Local Retribution, the procedures for collecting retribution are as follows:

1. Retribution is collected using SKRD or other equivalent documents.
2. Other documents that are equated as referred to in section (1) can be in the form of tickets, coupons and subscription cards.
3. In the event that certain Retribution Mandatory do not pay on time or do not pay enough, an administrative sanction is imposed in the form of interest of 2% (two percent) every month from the outstanding Retribution that is not paid or underpaid and billed using STRD.
4. Collection of outstanding Retribution as referred to in section (3) is preceded by a Reprimand Letter.
5. The procedure for implementing the collection of Retribution is determined by a Local Head Regulation.

2.7 Market Service Retribution

In Local Regulation No. 6 of 2016 concerning Amendments to Local Regulation Number 24 of 2011 concerning Market Service Retribution states that Market Service Retribution is a levy as payment for the provision of services/permits in the market sector by the Local Government for the benefit of individuals or entities. The object of Market Service Retribution is the provision of traditional market facilities, in the form of courtyards, booths, kiosks managed by the Local Government, and specially provided for traders. Subjects of market retribution are individuals or entities that utilize/enjoy the services of providing market facilities. Retribution Mandatory are individuals or entities that according to statutory retribution are required to make retribution payments, including collectors or certain retribution collectors.

2.8 Previous Research

Toduho, et al. (2014) entitled Acceptance of market retribution in an effort to increase Original Local Revenue for the City of Tidore Islands. This study aims to determine the level of effectiveness and contribution of market retribution to local revenue using a quantitative descriptive analysis method with the results of the study showing that effectiveness only reached in 2013 while in 2009-2012 it was not yet effective.

Murniati & Kasasih (2017) entitled Analysis of the contribution and effectiveness of receiving market service retribution on Original Local Revenue of Palembang City, this study aims to determine the contribution of market services to local revenue using descriptive qualitative method with the results of research in 2013 the effectiveness level of 100% so that it is categorized as effective different from the results of 2014-2015 with an effectiveness level of 11.18% so it is not said to be effective.

3. RESEARCH METHODS

This type of research is descriptive, meaning that this research provides an overview or description of a situation as clear as possible for the object under study. Location The research was conducted at the Department of Trade and Industry of Situbondo Regency.

3.1 Research Data Sources

The type of data used is secondary data, namely data obtained in the realization of income that has been published and can be in the form of notes and financial reports from the Situbondo Regency Government.

3.2 Data Collection Technique

The data collection technique is direct research, namely research conducted by direct observation by interviewing the authorities, namely the market sector at the Department of Trade and Industry of Situbondo Regency and documenting by collecting data on market service retribution income starting in 2018-2020.

3.3 Data Analysis Method

The method of data analysis uses a qualitative descriptive analysis method. The method of qualitative descriptive analysis is analyzing and describing or describing various conditions, and

situations of various data collected in the form of interview results regarding the problems studied at the Department of Trade and Industry.

The first stage, researchers collected data obtained from the Department of Trade and Industry. The second stage, conducted an analysis of Original Local Government Revenue. Measuring the realization of market retribution services using the formula:

$$\frac{\text{Realization of Market Service Retribution}}{\text{Market Service Retribution Target}} \times 100\%$$

4. RESULTS AND DISCUSSION

Table 1: Target and Realization of Market Service Retribution for 2018-2020

Year	Target (Rp)	Realization (Rp)	(%)
2018	2,058,307,750	1,706,594,250	82.91
2019	1,939,773,250	1,874,353,000	96.62
2020	1,944,938,500	1,322,327,700	67.98

Source: Department of Trade and Industry of Situbondo Regency

Based on the table above, there has been a significant decrease in the realization of market service retribution revenue in 2020 compared to 2019 and 2018. In the 2020 Fiscal Year, the target is Rp. 1,944,938,500 and a realization of Rp. 1,322,327,700 with a percentage of 67.98% compared to the previous 2 years, namely the realization in 2018 of 1,706,594,250 or 82% and in 2019 of 1,874,353,000 or 96.62%.

Market service retribution are one of the components that contribute to the source of local revenue with managed resources, namely 18 traditional markets spread across the Situbondo Regency area.

Table 2: Traditional Market Location Data Situbondo Regency

No	Market Location
1	Mimbaan Public Market
2	Asembagus Factory Market
3	Asembagus Market
4	Village Market
5	Curahkalak Market
6	Tekok Market
7	Kapongan Market
8	Mangaran Market
9	Panji Market
10	Ardiredjo Morning Market
11	Ardiredjo Afternoon Market

12	Kalbut Market
13	Olean Market
14	Sumberkolak Market
15	Wringinanom Market
16	Panarukan Market
17	Widoropayung Market
18	Besuki Market

Source: Department of Trade and Industry of Situbondo Regency

In line with the results of interviews with the authorities in this matter, the interviewees were the Head of the Retribution Collection Section in the Market Sector of the Department of Trade and Industry on January 15, 2020 at the Department of Trade and Industry of Situbondo Regency as follows: “With the existence of Regent Regulation No.13 of 2020 concerning the Exemption of Retribution for Mandatory Retribution, in this case, market service retribution that are not collected from April 2020 to June 2020 to some extent affect the achievement of the realization of market service retribution in the 2020 Fiscal Year. However, the existence of this Regent Regulation is expected to reduce the burden society in facing the new economic order in the midst of the Covid-19 outbreak”.

5. CONCLUSION

Based on the results of the description of the previous discussion, it can be concluded that with the presence of Covid-19 which has an impact on the social and economic aspects of the Situbondo Regency Government, in this case the Situbondo Regency Regent issued Regent Regulation Number 13 of 2020 concerning Exemption of Retribution for Mandatory Retribution, in this case market services experience a significant decrease compared to the previous year, which was only realized by 67.98%, therefore the Original Local Government Revenue achievements in FY 2020 in terms of market service retribution have decreased from the target set at the time of the determination of the Original Local Revenue Budget. Rp. 1,944,938,500 and just realized Rp. 1,322,327,700. Furthermore, with the Regent Regulation No. 13 of 2020 concerning the Exemption of Retribution for Mandatory Retribution, in this case the Market Service Retribution, it is hoped that with the issuance of this Regent Regulation it can reduce the burden on mandatory retribution for a period of 3 months from April to June 2020 even though it has an impact on reducing Original Local Revenue in the 2020 FY in terms of Retribution Revenue Market Service.

6. SUGGESTION

Based on the conclusions that have been described, this research is only limited to market service retribution revenue. It is hoped that in further research it can be developed with the object of revenue retribution for route permits in accordance with the contents of Regent Regulation No. 13 of 2020 concerning exemption from retribution for mandatory retribution which has implications for economic recovery during the Covid-19 outbreak.

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